



DIVISION OF
ENFORCEMENT

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

October 29, 2015

BY ECF FILING

Honorable William H. Pauley III
Daniel Patrick Moynihan
United States Courthouse
500 Pearl Street
New York, NY 10007

Re: SEC v. Caledonian Bank Ltd., et al.
Case No. 15-cv-894 (WHP)

Dear Judge Pauley,

In reference to the above-captioned action, I write to inform the Court of the recent developments between Plaintiff Securities and Exchange Commission (the "Commission") and Defendants Caledonian Bank Ltd. ("Caledonian Bank") and Caledonian Securities Ltd. ("Caledonian Securities") with respect to the settlement terms on which the parties reached an agreement in principle and which I previously discussed in my letter to the Court dated August 21, 2015.

Since that time, the staff of the Division of Enforcement recommended for approval by the Commission the settlement terms agreed to by the parties. Last week, the Commission approved the parties' agreed upon settlement terms.

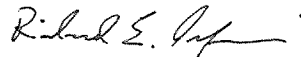
The Joint Liquidators of Caledonian Bank and Caledonian Securities are now in the process of seeking authorization to enter into the settlement terms from the Grand Court of the Cayman Islands, which is overseeing the liquidation of Caledonian Bank and Caledonian Securities. After this process is completed, and as discussed in my August 21 letter to the Court, the parties will submit the settlement terms and seek approval by this Court in the form of a Consent and proposed Final Judgment. As part of this submission, attorneys for the Commission will file and serve a memorandum of law describing the reasons why the proposed settlement is in the public interest.

The parties appreciate the Court's patience and will seek the Court's approval of the settlement terms as soon as the authorization from the Grand Court of the Cayman Islands is obtained.

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Because the date for Caledonian Bank and Caledonian Securities to answer, move or otherwise respond to the Amended Complaint is currently October 30, 2015, the parties have entered into a further stipulation extending that date for an additional six weeks, until December 11, 2015, with the hope that the necessary authorization from the Grand Court of the Cayman Islands will be received before then. I will email the stipulation to the Judgments Clerk as required by Section 18.3 of the Court's Electronic Case Filing Rules & Instructions. A courtesy copy of the stipulation is attached to this letter. The parties respectfully request that the Court "So Order" the stipulation.

Respectfully submitted,



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cc: Counsel of record
(by ECF)